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Fewer Good Jobs for College Grads? Not So, Says New Study

By Beckie Supiano

The emerging conventional wisdom is that America's post-recession recovery was dominated by the rise of low-paying, part-time service jobs. But a new analysis challenges that narrative, finding that 2.9 million of the 6.6 million jobs added in the recovery were "good jobs" providing high pay and, in many cases, benefits.

That's the core finding of "Good Jobs Are Back: College Graduates Are First in Line," a new report from Georgetown University's Center on Education and the Workforce. It means that "the economy worked the way it's supposed to," said Anthony P. Carnevale, the center's director and the report's lead author.

That's not to say that the recovery has been perfect or that everyone is doing all right. But a recovery tilted toward good jobs fits what economists would expect to see given the economy's structural shift to higher-skilled jobs and a pattern where more-skilled workers are last to lose jobs in a recession and first to regain them in a recovery, Mr. Carnevale said.

Let's take a closer look at what the report has to say, and what it can tell us about the job market for college graduates:

What counts as a good job?

Using census data, the authors grouped jobs into 485 occupations, sorted the occupations by median annual earnings, then divided them into three equal tiers. Jobs in the highest-paid tier of occupations are considered good ones, and they paid full-time, full-year workers more than \$53,000 a year. A majority of those jobs also come with benefits like health insurance and employer-sponsored retirement plans. A two-earner household where both workers hold jobs in this category has combined earnings in at least the low six figures.

Who is getting the good jobs?

Overwhelmingly, college graduates. Of the 2.9 million good jobs added during the recovery, 2.8 million went to someone with at least a bachelor's degree.

What types of good jobs accounted for the growth?

Most of the new ones were in managerial, STEM (science, technology, engineering, and mathematics), and health-care professions. Other types of high-skill work did not fare as well. Education occupations lost 184,000 good jobs during the recovery, according to the report.

Why is this analysis of the recovery different from others?

The novelty of the study is how it categorizes jobs. Instead of grouping jobs by industry (the type of employer someone works for), the report groups them by occupation (what someone does on the job).

To explain why that matters, the report uses the home health industry as an example. Home health would be categorized as a low-wage industry because the bulk of its workers are low-paid. But it also employs some high-paid workers, like registered nurses and physical therapists.

Employment for those better-paid positions in home health grew during the recovery. An industry-based categorization would count that as an increase in low-wage jobs. An occupation-based categorization would count it as an increase in high-wage ones.

This report groups all college graduates together, regardless of when they earned their degrees. But aren't recent grads having a tough time out there?

It depends on your point of comparison. It's true that recent college graduates have had a harder time in the recession and recovery than have more-experienced ones. But the unemployment rate for recent graduates has come down since the recession, Mr. Carnevale pointed out. And all along the way, they've fared much better than did workers with lower levels of education.

"If you're a college person, and you're not doing well, just thank your lucky stars" your education didn't stop at high school, Mr. Carnevale said. "It could be a lot worse."

What about degree creep? Some workers in good jobs might hold a graduate degree they don't really need.

It's true that workers in many occupations have higher levels of education than they did in the past.

Still, Mr. Carnevale disagreed with the popular saying that "a graduate degree is the new bachelor's degree," because the wage premium for bachelor's-degree holders over high-school graduates endures. That's largely because less-educated workers' earnings have dropped. But it's also the case, he said, that the wage premium has held even as larger shares of the population have taken their place on the college-graduate side of the ledger.

That said, graduates in some majors, like psychology and education, do need to get a graduate degree to see the same average earnings as the typical college graduate, Mr. Carnevale said. And even those whose majors are more lucrative get an additional boost from a graduate degree.

It's not that college graduates need to get advanced degrees to outearn high-school graduates, in other words. But they might need them to keep up with all the other workers with at least a bachelor's degree.

Beckie Supiano writes about college affordability, the job market for new graduates, and professional schools, among other things. Follow her on Twitter @becksup, or drop her a line at beckie.supiano@chronicle.com.

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